

have more free trade, and our economy will benefit because of it.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FLAKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. PORTMAN).

DEFENDING PUBLIC SAFETY EMPLOYEES' RETIREMENT ACT—Continued

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

PERMANENT INTERNET TAX FREEDOM ACT

Ms. AYOTTE. Mr. President, I wanted to come to the floor today to talk about Internet tax freedom and to talk about ensuring that our online businesses remain competitive.

First of all, I commend the House of Representatives for recently passing the Permanent Internet Tax Freedom Act, which would permanently extend the current ban on Internet access taxes. The current tax moratorium will expire on October 1, and if we fail to renew it, it could cost taxpayers nearly \$15 billion in new fees and taxes next year. In addition, as importantly, it would make Internet access less affordable to hard-working families and hamper small businesses' ability to grow and create jobs using the Internet because essentially it would allow all of these jurisdictions to tax the Internet. So when you get on the Internet, you can expect many more taxes if we do not do what the House of Representatives did and extend the Internet Tax Freedom Act. In fact, I think we should make it permanent.

I am a cosponsor of a Senate companion bill of which I hope this Senate will follow the House's lead to pass and send a permanent extension to the President's desk.

Unfortunately, one of the things we have heard is that some see this extension of the moratorium on Internet taxation as an opportunity to attach another piece of legislation that, in fact, would burden our online businesses and would tremendously disadvantage a State like my home State of New Hampshire that has made the legislative decision not to have a sales tax.

We have seen this playbook before. It was called before the Marketplace

Fairness Act. Of course, there is nothing fair about this act when it comes to our online businesses having to collect taxes for nearly 9,000 taxing jurisdictions. You can imagine the bureaucratic nightmare that would occur. So this so-called Marketplace Fairness Act—I always used to like to call it the "Online Sales Tax Act" or the "Online Sales Tax Collection Act." That would be a more accurate description of that particular act.

So here we are. We have a rerun of this particular bill that would have required businesses in the State of New Hampshire—even though we do not have a sales tax—our online businesses to collect for all these other tax jurisdictions. Again, it is not even just States that have sales taxes. In some States, it goes down to the municipal level when it comes to municipalities and local jurisdictions actually collecting a separate tax, so it would have ended up being over 9,000 taxing jurisdictions. So here you have a nice online business out there having to be the tax collector for all these different jurisdictions. You can imagine that this would really be a huge burden on these online businesses.

The individuals who have been supporting this new sales tax collection scheme in this new burden on the Internet—by the way, one of the reasons I am such a strong proponent of permanently extending the tax freedom and the lack of taxes on the Internet, on Internet access, is because we have seen not only consumers' access to the Internet but the ability of businesses and the ability of us to create jobs and to see real growth on the Internet. This has allowed people to start businesses from their home. It has allowed so much creativity. It has been very positive for our economy.

So lo and behold in all of that there are some talking about attaching to this Internet Tax Freedom Act this incredibly burdensome collection scheme to require businesses to be out there collecting all these sales taxes throughout the Nation. The latest proposal the proponents of this type of tax collection scheme have come up with is one that again creates even more issues—certainly as many if not more issues—than the prior proposal that was called the so-called Marketplace Fairness Act. Of course, we know there is nothing fair about it if you are a business having to collect all these taxes.

What this rerun would do is actually create this reporting system and require businesses to purchase this software and then require States to actually have what are called certified software providers. Here is what would happen: Under this latest scheme, the certified software providers for these States would actually collect all the sales information for every sale—every online sale in a State—and then they would manage the collection of these taxes. Well, can you imagine? So now we are going to say to businesses: Yes,

you have to purchase this certain software. And guess what. Every sale you make is going to be held by the central government in each State.

Can you imagine, with all the things we have seen happen in terms of breach of privacy of individuals? We have seen cyber attacks, all these issues we are facing. We have seen it in our government with OPM. We have seen it with the IRS. We have seen it with private companies in data breach.

Now this latest scheme is, let's send all the sales information to one place, and we will have some company—I guess some private companies will stand to benefit from this—they will now collect all these taxes, and they will hold all this information. Imagine how much information they would hold in each State.

So that is how we are going to create this new taxing scheme. You can imagine how a State such as New Hampshire would feel about that as a State that has decided not to have a sales tax—that suddenly our State has to keep all this information, has to hire some private company to do this, to collect all these taxes, and then that each of our online businesses has to purchase this software which is supposed to interface with its State government. What a massive bureaucracy, and how unfair it is in terms of State sovereignty that the Federal Government would impose this on a State such as New Hampshire that has made a decision not to have a sales tax.

This, to me, would be the opposite of what we are trying to accomplish under the Permanent Internet Tax Freedom Act, which I fully support, which is about Internet tax freedom, and to attach this proposal to that Internet Tax Freedom Act, which some people, I think, are scheming around here to do, which with the right hand we are going to give you Internet freedom and with the left hand we are going to take that freedom away from States like mine that have chosen not to have a sales tax. And our online businesses would now have to be part of this huge bureaucratic scheme to collect taxes for other States and other localities.

So I would hope my colleagues would not go down this road because I think the Internet should be free. I think online businesses should be able to continue to thrive and grow. I think online businesses should not be required to collect for over 9,000 taxing jurisdictions. And certainly I think all of us should have concerns about all of the sales data being collected by some kind of third party and being held in one place just so we can collect more taxes on online businesses.

In fact, what I have heard from our businesses in New Hampshire previously when the so-called Marketplace Fairness Act was on the floor of the Senate—many of the businesses in New Hampshire that have online sales told me then how unfair they thought this taxing scheme was, and those concerns